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4P

ROUTING AND RECORD SHEET 29 JUN 1953

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM				NO.	DATE
R1				EGOR-19337	
TO	ROOM NO.	DATE	OFFICER'S INITIALS	COMMENTS	
1. EE/RG	X SPAS	8 JUL 1953	RC		
2. EE/FI/G/EZ	JW	23 JUN 53	JK		
	RK		RK	...	
3. EE/FI/G	DH		DR	PIC - Copote	
4. EE/FI/2			WJ	S.E. to show 201 on sketch? should be what about 201 in R/S.	
5. EE/FI/2	HJ	22 July 53	HWS	mag. photo for KRICHBAUM dossier.	
		22	SCD	ca: Schacht - 201.	
	RK		ARK	ack'd for your permanent retention	
10. RK/PA/G			MS	N.B. cond at FIZ	
11. Billa Nolan			EA	RISSE cond. FIZ	
12.				X REF FORM FILED	
				IN: [initials]	
13.				6 1192	
14.				ABSTRACT <input checked="" type="checkbox"/> INDEX <input checked="" type="checkbox"/>	
15.				DATE 1 JUL 1953	

NO. 81-10

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DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHODS EXEMPTION 3B2B NAZI WAR CRIMES DISCLOSURE ACT DATE 2000 2006

FOR COORDINATION WITH Army

VIA: _____
(SPECIFY AIR OR SEA ROUTE)

DISPATCH NO. 00557

SECRET
SECURITY INFORMATION
CLASSIFICATION

23 JUN 1953

TO : Chief, EE
FROM : Chief of Mission, Frankfurt
SUBJECT: GENERAL— Operational/CART

DATE:	
Info: POB	
to: Bonn	by post
By Consular Sec.	by cable
see para	by post
For info and file	

SPECIFIC— Visit of [] and []
to 66th CIC Headquarters

1. On 20 May 1953 [] and [] travelled to Stuttgart to discuss with Mr. Parkinson of 66th CIC headquarters what CIC knew of the connections of Gerhard SCHACHT and Friedrich Victor KISSE, hoping also to receive some information from CIC on the CAPOTE complex. On which CIC apparently had a good deal of information. [] KUBANK liaison officer to CIC, had informed [] that ~~Gerhard~~ SCHACHT, presently active in the Gesellschaft fuer Neue Staatspolitik (GNP) in Ulm, retained active connections with the Institut fuer Gegenwartsforschung (IGF), the CAPOTE office in Munich, and had even pinch-hit for the chief of that office. ~~Harrold~~ KUEHLER aka Judas SCHULTZ, whom the latter was sick. [] was interested in finding out what CIC knew about SCHACHT and about the CAPOTE office. [] interest lay in the fact that the GNP is financed by [] that SCHACHT had ties to Friedrich Victor KISSE, and that KISSE in turn was employed by the Heese LfV, the SPD information service, and possibly the Nordrhein-Westfalen LfV. [] felt that this admittedly complicated chain might be providing the SPD and the SPD chiefs of the Heese and NRW LfV's with sensitive information about [] activities, particularly []

2. It was agreed that no mention of KUCOFF interest in [] would be made in conversation with CIC, but that a plausible reason for the conversation would be given in our interest in CAPOTE, KISSE, and the general propaganda operations of [] and the BLANK office.

3. [] and [] opened the conversation by explaining that they had come to ask for and share information on the connections between the Amt BLANK, [] Gerhard SCHACHT, and CAPOTE. (About this point Mr. Parkinson was joined by Mr. Benjamin.) The first response of Mr. Parkinson was to start off on what turned out to be a fishing expedition on KUBANK relations with CAPOTE. [] stated that there was no real connection at all - rather that a very loose relationship existed (which he did not further define.) This statement was greeted with evident scepticism, so the conversation was diverted to a discussion of Friedrich Victor KISSE.

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4. Mr. Parkinson said that so far as he knew KESSE was no longer working for Paul ~~RECHT~~ of the Hesse LfV, but had certain connections with SPD intelligence circles, also that KESSE was on the outs with the Württemberg-Baden LfV, having gone to work for them and then turned around, after a row with them, and tried to expose them. Exactly how the expose was to work was not quite clear, but the subject was not pursued. Mr. Benjamin added that GID were no longer interested in KESSE, and as far as he knew no one else was, except ZIPFER. (POB believes that GID has lately resumed interest in KESSE.)

5. The conversation now returned to the subject of SCHACHT. Mr. Parkinson remarked that he found it strange that [] and [] should come to GID for information on SCHACHT, since he was a DAD agent. The denial of this statement was not received with much credulity. Mr. Parkinson inquired why, if SCHACHT was not a DAD agent, or a ZIPFER agent, which he seemed to wink or pretended to think was much the same thing, did he live in a house at UTILITY's disposal? [] replied that while he had never been too clear on the reason for this, he had been informed that UTILITY wished to keep SCHACHT on the string in some way, and so let him live in one of his houses.

6. Mr. Parkinson now inquired precisely what it was we wished to know about [] GAPONE-SCHACHT relations. [] replied that [] was now financing organizations like the Gesellschaft fuer Wehrkunde and the Deutsche Soldaten Zeitung, formerly backed by KUCOWSKI, which apparently had some connection to the Amt BIANE, that SCHACHT was known to be pinch-hitting for MUELLER in Munich as chief of the Munich office of the Institut fuer Gegenwartsforschung and also working in the Gesellschaft fuer Neue Staatspolitik in Ulm, which we knew to be backed by [] and we considered that there might be a connection. The GID men ascertained that they really knew nothing of all this, and had indeed not heard that the Gesellschaft fuer Wehrkunde and the Soldaten Zeitung were no longer supported by KUCOWSKI (the precise euphemism they used for KUCOWSKI was "you people").

7. It slowly became apparent that GID had been following a completely false theory on SCHACHT. He had apparently stated to one of their people that he was working for DAD, which GID believed. They then considered that if he was working for the Gesellschaft fuer Neue Staatspolitik (which they believed to be KUCOWSKI sponsored), the

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Gesellschaft fuer Wehrkunde, and retained connections to CAPOTE, for whom he employed (Dr.) WILLI HOETTL (who was Austrian correspondent for the Soldaten Zeitung), and lived in one of UTILITY's houses, then all these pieces must form a pattern of KUBARK employment, consequently that when KUBARK denied employing SCHACHT it must be lying. It is to be hoped that we cleared the air somewhat on this.

8. OIG has since asked permission of DAD to attempt to recruit SCHACHT. POB had no objections. If this permission does not convince OIG that SCHACHT is not our agent, they they are invincibly skeptical. Mr. Benjamin stated that it was his intention to collect information on SCHACHT and the CAPOTE complex - that up to now their coverage had been purely by mail and telephone intercept (this is confirmed by the material OIG has since sent us on the IOP, as far as it goes.) We are to share in the take on this.

9. We were also told that part of the interest in SCHACHT lay in his connection with HOETTL, as OIG had received instructions to interrogate everyone connected with the PONGER-VERNER affair. The name of WILLI KRICHBAUM was mentioned in this connection, and Mr. Benjamin opined that KRICHBAUM had probably provided PONGER with considerable information on ZIPFER, either directly or through the intermediary of HOETTL. However, from something else said it appeared that neither Parkinson nor Benjamin had yet read the KRICHBAUM interrogation.

10. Summary: The main use of the meeting turned out to be clarification of the KUBARK position vis-a-vis SCHACHT, which had evidently been causing considerable resentment against us at OIG. We were also assured that we would get OIG reports, both past and future, on the Institut fuer Gegenwartforschung. The backlog, according to Mr. Parkinson, had been held up by G-2 USAFUR. It appears that OIG knows considerably less about the IOP than we had supposed. If they know anything specific on SCHACHT's possible leakage of information on propaganda projects through KISSER to the SPD LfV chiefs, we were unable to elicit it.

Approved by:

PEZ

22 June 1953

Distribution:

3 - EE
1 - POB
1 - Bonn

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